

## Appendix A5:

### Employment Sectors defined according to Standard Industry Classification Manual, 1987

**Agriculture (Agricultural, forestry, and fishing services)** includes all farming activity as well as businesses engaged in agricultural production, forestry, commercial fishing, hunting and trapping, and related services.

**Mining** includes the extraction of minerals occurring naturally, quarrying, well operations, milling, preparation at the mine site, and exploration and development of mineral properties.

**Construction** includes new work, additions, alterations, reconstruction, installations, and repairs of structures.

**Manufacturing** includes the processing of materials (products of agriculture, forestry, fishing, mining, and quarrying) into new products. Examples include food, textiles, mineral processing, lumber, wood products, furniture, paper, machinery, and appliances.

**Trade** includes all wholesale and retail trade. Wholesale trade includes the selling of goods to retailers or other wholesalers. Wholesalers maintain inventories of goods, extend credit; physically assemble, sort, and grade goods in large lots, break bulk goods into smaller lots and advertise.

**Retail trade** includes the selling of goods for personal or household consumption and rendering services incidental to the sale of the goods. Examples include groceries, hardware, drug store, and other specialty stores.

**Services** include businesses engaged in providing a wide variety of services for individuals, business, government, and other organizations. Examples include hotels; health, legal, engineering, and professional services; and educational institutions.

**F.I.R.E. (Finance, insurance, and real estate)** includes business that operate in the fields of finance, insurance, and real estate, such as banks, investment companies, insurance agents and brokers; real estate buyers, sellers, and developers.

**T.C.P.U. (Transportation, communications and public utilities)** includes passenger and freight transportation, communications services, electricity, gas, steam, water and sanitary services and all establishments of the United States Postal Service.

**Government** includes all Federal, state, and local government employees involved in executive, legislative, judicial, administrative and regulatory activities.

**Non-farm proprietors** include businesses that operate in a number of trades that are sole ownership or partnerships that have tax-exempt employees, Thus they do not have to report wages in the same manner as other businesses and are harder to categorize.

The charts and graphs in this section detail basic economic and demographic figures for the State of Utah and each County and Tribe involved in the Study. The economic data used in this report is of two types. Any data sourced from the U.S. Bureau of Labor Statistics is generated using the newer North American Industry Classification System.

Data sourced from the Utah Governor's Office of Planning and Budget 2002 Baseline Projections is generated through the Utah Department of Workforce Services using the older Standard Industrial Classification system. Following is a brief description of the two systems and their differences. For further information and a list of industry titles by sector, please reference the appended glossary.

### Background

For over sixty years, the Standard Industrial Classification (SIC) system has served as the structure for the collection, aggregation, presentation, and analysis of the US economy. An industry consists of a group of establishments primarily engaged in producing or handling the same product or group of products or in rendering the same services. Industry definitions used in BLS programs come from the 1987 Standard Industrial Classification (SIC) Manual. Because the SIC is used by many other federal government statistical programs, it is possible for users to assemble a comprehensive statistical picture of an industry.

The SIC system was developed in the 1930's at a time when manufacturing dominated the US economic scene. Over the last 60 years, there have been numerous revisions to the SIC system, reflecting the economy's changing industrial composition. However, despite these revisions, the system has received increasing criticism about its ability to handle rapid changes in the US economy. Recent developments in information services, new forms of health care provision, expansion of services, and high tech manufacturing are examples of industrial changes that cannot be studied under the current SIC system.

### Introducing NAICS

Developed in cooperation with Canada and Mexico, the North American Industry Classification System (NAICS) represents one of the most profound changes for statistical programs focusing on emerging economic activities. NAICS, developed using a production-oriented conceptual framework, groups establishments into industries based on the activity in which they are primarily engaged. Establishments using similar raw material inputs, similar capital equipment, and similar labor are classified in the same industry. In other words, establishments that do similar things in similar ways are classified together.

NAICS provides a new tool that ensures that economic statistics reflect our Nation's changing economy. However, improved statistics will result in time series breaks. Every sector of the economy has been restructured and redefined: A new Information sector combines communications, publishing, motion picture and sound recording, and online services, recognizing our information-based economy. Manufacturing is restructured to recognize new high-tech industries. A new sub-sector is devoted to computers and electronics, including reproduction of software. Retail Trade is redefined. In addition, eating and drinking places are transferred to a new Accommodation and Food Services sector. The difference between Retail and Wholesale is now based on how each store conducts business. For example, many computer stores are reclassified from wholesale to retail. Nine new service sectors and 250 new service industries are recognized.